

Parkinson Foundation of the National Capital Area

Financial Statements
and Independent Auditor's Report

June 30, 2023 and 2022

Parkinson Foundation of the National Capital Area

Financial Statements
June 30, 2023 and 2022

Contents

Independent Auditor’s Report.....	1-3
<i>Financial Statements</i>	
Statements of Financial Position.....	4
Statements of Activities	5-6
Statements of Functional Expenses	7-8
Statements of Cash Flows.....	9
Notes to Financial Statements.....	10-21

INDEPENDENT AUDITOR’S REPORT

To the Board of Directors of
Parkinson Foundation of the National Capital Area

Opinion

We have audited the accompanying financial statements of Parkinson Foundation of the National Capital Area (“the Foundation”), which comprise the statements of financial position as of June 30, 2023 and 2022; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the Foundation adopted Financial Accounting Standards Board Accounting Standards Update 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
November 3, 2023

Parkinson Foundation of the National Capital Area

Statements of Financial Position June 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Assets		
Cash and cash equivalents	\$ 283,927	\$ 984,652
Investments	1,336,355	1,062,832
Certificates of deposit	2,124,192	1,570,918
Property and equipment, net	<u>35,589</u>	<u>36,567</u>
Total assets	<u>\$ 3,780,063</u>	<u>\$ 3,654,969</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	<u>\$ 51,164</u>	<u>\$ 98,757</u>
Total liabilities	<u>51,164</u>	<u>98,757</u>
Net Assets		
Without donor restrictions:		
Undesignated	2,945,007	2,845,290
Board-designated quasi-endowment fund	<u>783,892</u>	<u>705,802</u>
Total without donor restrictions	3,728,899	3,551,092
With donor restrictions	<u>-</u>	<u>5,120</u>
Total net assets	<u>3,728,899</u>	<u>3,556,212</u>
Total liabilities and net assets	<u>\$ 3,780,063</u>	<u>\$ 3,654,969</u>

See accompanying notes.

Parkinson Foundation of the National Capital Area

Statement of Activities For the Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 438,249	\$ -	\$ 438,249
Walk Off Parkinson's	266,873	-	266,873
In-kind contributions	519,092	-	519,092
Sponsorships	87,946	-	87,946
Symposium registrations	24,974	-	24,974
Wellness registrations	40,131	-	40,131
Investment return, net	115,488	-	115,488
Other revenue	2,884	-	2,884
Released from restrictions	5,120	(5,120)	-
Total revenue and support	<u>1,500,757</u>	<u>(5,120)</u>	<u>1,495,637</u>
Expenses			
Program services	1,092,083	-	1,092,083
Supporting services:			
Management and general	151,165	-	151,165
Fundraising	79,702	-	79,702
Total supporting services	<u>230,867</u>	<u>-</u>	<u>230,867</u>
Total expenses	<u>1,322,950</u>	<u>-</u>	<u>1,322,950</u>
Change in Net Assets	177,807	(5,120)	172,687
Net Assets, beginning of year	<u>3,551,092</u>	<u>5,120</u>	<u>3,556,212</u>
Net Assets, end of year	<u><u>\$ 3,728,899</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,728,899</u></u>

See accompanying notes.

Parkinson Foundation of the National Capital Area

Statement of Activities For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 1,054,448	\$ -	\$ 1,054,448
Walk Off Parkinson's	242,520	-	242,520
In-kind contributions	434,178	-	434,178
Sponsorships	83,213	-	83,213
Symposium registrations	29,090	-	29,090
Wellness registrations	34,325	-	34,325
Investment return, net	(130,631)	-	(130,631)
Other revenue	59,748	-	59,748
Total revenue and support	<u>1,806,891</u>	<u>-</u>	<u>1,806,891</u>
Expenses			
Program services	<u>905,713</u>	<u>-</u>	<u>905,713</u>
Supporting services:			
Management and general	134,741	-	134,741
Fundraising	<u>73,165</u>	<u>-</u>	<u>73,165</u>
Total supporting services	<u>207,906</u>	<u>-</u>	<u>207,906</u>
Total expenses	<u>1,113,619</u>	<u>-</u>	<u>1,113,619</u>
Change in Net Assets	693,272	-	693,272
Net Assets, beginning of year	<u>2,857,820</u>	<u>5,120</u>	<u>2,862,940</u>
Net Assets, end of year	<u><u>\$ 3,551,092</u></u>	<u><u>\$ 5,120</u></u>	<u><u>\$ 3,556,212</u></u>

See accompanying notes.

Parkinson Foundation of the National Capital Area

Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 385,737	\$ 75,866	\$ 48,163	\$ 124,029	\$ 509,766
Walk Off Parkinson's	18,265	122	38	160	18,425
Parkinson's Response Mobile Unit Symposium	10,217 138,086	- -	- -	- -	10,217 138,086
Consulting service	24,800	-	5,000	5,000	29,800
In-kind expense	364,028	1,676	-	1,676	365,704
Wellness program expenses	91,968	-	-	-	91,968
Occupancy	8,141	1,601	1,016	2,617	10,758
Accounting	-	42,924	-	42,924	42,924
Printing, mailshop, and design	952	212	212	424	1,376
Computer supplies and expenses	4,290	925	444	1,369	5,659
Postage	1,454	377	432	809	2,263
Membership dues and subscriptions	23,189	3,572	13,365	16,937	40,126
Office supplies and expenses	934	2,940	493	3,433	4,367
Bank and credit fees	7,786	2,569	5,288	7,857	15,643
Insurance	-	11,186	-	11,186	11,186
Telephone	5,580	2,866	-	2,866	8,446
Depreciation and amortization	-	3,097	-	3,097	3,097
Meeting expenses	612	717	-	717	1,329
Advertising	5,435	-	2,718	2,718	8,153
Travel	527	419	29	448	975
Miscellaneous	82	96	2,504	2,600	2,682
Total Expenses	\$ 1,092,083	\$ 151,165	\$ 79,702	\$ 230,867	\$ 1,322,950

See accompanying notes.

Parkinson Foundation of the National Capital Area

Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 309,935	\$ 64,311	\$ 38,742	\$ 103,053	\$ 412,988
Walk Off Parkinson's	22,824	-	1,143	1,143	23,967
Parkinson's Response Mobile Unit	3,869	-	-	-	3,869
Symposium	151,784	-	-	-	151,784
Consulting service	40,000	-	10,000	10,000	50,000
In-kind expense	249,925	17	-	17	249,942
Wellness program expenses	78,636	-	-	-	78,636
Occupancy	7,838	1,626	980	2,606	10,444
Accounting	-	36,703	-	36,703	36,703
Legal	-	-	2,000	2,000	2,000
Printing, mailshop, and design	1,918	205	108	313	2,231
Computer supplies and expenses	2,496	465	282	747	3,243
Postage	1,137	1,921	64	1,985	3,122
Membership dues and subscriptions	21,156	3,484	12,525	16,009	37,165
Office supplies and expenses	104	4,801	-	4,801	4,905
Bank and credit fees	430	5,647	5,291	10,938	11,368
Insurance	931	10,660	-	10,660	11,591
Telephone	6,470	1,433	-	1,433	7,903
Depreciation and amortization	-	3,061	-	3,061	3,061
Meeting expenses	132	277	-	277	409
Advertising	5,834	107	1,782	1,889	7,723
Travel	294	23	-	23	317
Miscellaneous	-	-	248	248	248
Total Expenses	\$ 905,713	\$ 134,741	\$ 73,165	\$ 207,906	\$ 1,113,619

See accompanying notes.

Parkinson Foundation of the National Capital Area

Statements of Cash Flows For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 172,687	\$ 693,272
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	(74,742)	142,210
Depreciation and amortization	3,097	3,061
Donated securities	(27,961)	(6,069)
Forgiveness on loan payable – Paycheck Protection Program	-	(57,467)
Change in operating assets and liabilities:		
(Decrease) increase in:		
Accounts payable and accrued expenses	(47,593)	34,688
Net cash provided by operating activities	25,488	809,695
Cash Flows from Investing Activities		
Purchases of fixed assets	(2,119)	-
Purchases of investments	(184,480)	(28,198)
Purchases of certificates of deposit	(5,462,000)	(1,575,000)
Proceeds from sales of investments	13,660	33,263
Proceeds from maturities of certificates of deposit	4,908,726	1,129,098
Net cash used in investing activities	(726,213)	(440,837)
Net (Decrease) Increase in Cash and Cash Equivalents	(700,725)	368,858
Cash and Cash Equivalents, beginning of year	984,652	615,794
Cash and Cash Equivalents, end of year	\$ 283,927	\$ 984,652
Supplementary Disclosure of Non-Cash Operating and Financing Activities		
Operating activities – donated securities	\$ 27,961	\$ 6,069
Financing activities – forgiveness on loan payable – Paycheck Protection Program	\$ -	\$ 57,467

See accompanying notes.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

1. Nature of Operations

The Parkinson Foundation of the National Capital Area (“the Foundation”) is an independent nonprofit organization with the majority of those it serves residing in Maryland, Virginia, and Washington, D.C. The Foundation provides programs and services for people with Parkinson’s and their carepartners to improve their quality of life.

2. Summary of Significant Accounting Policies

Basis of Accounting and Classification of Net Assets

The Foundation’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions.

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for a Board-designated quasi-endowment.
- *Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

For the purpose of reporting cash flows, the Foundation considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents. Excluded from this definition of cash equivalents are amounts held for investment.

Investments

Investments are stated at fair value as determined by quoted market prices. Mutual funds are carried at fair value based on their published unit values. All realized and unrealized gains and losses, netted with investment management fees, are included as a component of net investment return in the accompanying statements of activities.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Certificates of Deposit

The Foundation held certificates of deposit totaling \$2,124,192 and \$1,570,918 at June 30, 2023 and 2022, respectively, with original maturity dates greater than a period of 90 days that are carried at amortized cost. Interest earned on the certificates of deposit is included in the accompanying statements of activities. These certificates of deposit do not qualify as securities as defined in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 320, *Investments – Debt and Equity Securities*. Therefore, these investments are not included in the fair value disclosures required by FASB ASC 820, *Fair Value Measurements and Disclosures*.

Property and Equipment

Property and equipment acquisitions with a cost greater than \$1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, which is three years for furniture, fixtures, and equipment assets. Upon disposal of depreciable assets, the cost and related accumulated depreciation and amortization are eliminated from the accounts and the resulting gain or loss is credited or charged to income. Expenditures for repairs and maintenance are expensed as incurred.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions, including sponsorships, that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. The Foundation reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Foundation's programs or to a future year.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

The Foundation also organizes a walk to raise awareness of Parkinson's disease. Contributions received from the walk are recognized when cash, securities, or other assets, or an unconditional promise to give, is received.

Conditional contributions contain a donor-imposed condition that represents a barrier that must be overcome before the Foundation is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. Additionally, the Foundation has sponsorship agreements. The agreements contain substantial conditions that must be met prior to recognition of revenue. Conditional contributions are recognized as revenue, either with or without donor restrictions, when donor-imposed conditions are substantially met, and any barriers are overcome. Donor restrictions are also satisfied when qualifying expenditures are incurred for the donor-specified program.

Donated services that meet the criteria for recognition are recognized at fair value at the time of donation. These services benefit the general programs and consist primarily of donated professional services, goods, and materials. The Foundation also receives in-kind contributions of facilities and the use of event space. The value of these donated services and facilities is included in the financial statements as both revenue and expense.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when the Foundation satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Foundation expects to receive in exchange for satisfying distinct performance obligations. If a performance obligation does not meet the criteria to be considered distinct, the Foundation combines it with other performance obligations until a distinct bundle of goods or services exists.

Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for as Contracts with Customers (continued)

Registration fees are revenue for the symposium and other events and services. Revenue is recognized when the symposium and other events are held and services are provided. Amounts received in advance are deferred and recognized when the performance obligations are met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Adopted Accounting Pronouncement

In September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofit entities through enhancements in presentation and disclosure requirements. Nonprofit entities will be required to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash and other financial contributions. Nonprofit entities will also be required to disclose various information related to contributed nonfinancial assets. The Foundation has implemented ASU 2020-07 in fiscal year 2023. There were no changes as a result of the implementation. The implementation had no impact on previously reported net assets.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through November 3, 2023, the date the financial statements were available to be issued.

3. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at June 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 283,927	\$ 984,652
Investments	1,336,355	1,062,832
Certificates of deposit	2,124,192	1,570,918
Less: Board-designated quasi-endowment fund	(783,892)	(705,802)
Less: restricted by donors with purpose restrictions	-	(5,120)
	<u> </u>	<u> </u>
Total available for general expenditures	<u>\$ 2,960,582</u>	<u>\$ 2,907,480</u>

Financial assets that are subject to donor or other internal Board restrictions that make them unavailable for general expenditures within one year of the statements of financial position date have been deducted from funds available for general expenditures.

The Foundation monitors the balance of its cash and cash equivalents on hand, with a goal to maintain balances at levels sufficient to meet at least 90 days of normal operating expenses. The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Foundation invests the excess of its short-term operating needs in money market and mutual funds, and certificates of deposit.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist of cash and cash equivalents, certificates of deposit, and investments. The Foundation maintains cash deposit and transaction accounts, along with certificates of deposit and investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Foundation has not experienced any credit losses on its cash and cash equivalents, certificates of deposit, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue Risk

There was no revenue concentration in donors for the year ended June 30, 2023. For the year ended June 30, 2022, \$480,000 of the Foundation's revenue was generated from one donor, which was from a bequest and amounted to 27% of the Foundation's total revenue and support for the year.

5. Investments and Fair Value Measurements

The Foundation follows FASB ASC 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

5. Investments and Fair Value Measurements (continued)

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period. In general, and where applicable, the Foundation uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents the Foundation's fair value hierarchy for those investments measured on a recurring basis at June 30, 2023:

	Total fair value	Level 1	Level 2	Level 3
Mutual funds:				
US mid cap	\$ 422,614	\$ 422,614	\$ -	-
Emerging markets	60,653	60,653	-	-
Real estate	34,829	34,829	-	-
International large cap	155,678	155,678	-	-
International small/mid cap	38,142	38,142	-	-
Global bond fund	93,521	93,521	-	-
Short term bond fund	43,437	43,437	-	-
Intermediate-term bond	209,220	209,220	-	-
Inflation-protected bond	92,102	92,102	-	-
Exchange-traded funds	155,085	155,085	-	-
Stocks	20,903	20,903	-	-
Money market funds	10,171	10,171	-	-
Total investments	\$ 1,336,355	\$ 1,336,355	\$ -	-

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

5. Investments and Fair Value Measurements (continued)

The following table presents the Foundation's fair value hierarchy for those investments measured on a recurring basis at June 30, 2022:

	Total fair value	Level 1	Level 2	Level 3
Mutual funds:				
US mid cap	\$ 234,989	\$ 234,989	\$ -	-
Emerging markets	38,737	38,737	-	-
Real estate	25,614	25,614	-	-
International large cap	94,565	94,565	-	-
International small/mid cap	22,837	22,837	-	-
Global bond fund	61,335	61,335	-	-
Short term bond fund	43,266	43,266	-	-
Intermediate-term bond	125,250	125,250	-	-
Inflation-protected bond	48,915	48,915	-	-
Exchange-traded funds	99,398	99,398	-	-
Stocks	15,880	15,880	-	-
Money market funds	252,046	252,046	-	-
Total investments	<u>\$ 1,062,832</u>	<u>\$ 1,062,832</u>	<u>\$ -</u>	<u>-</u>

Net investment return consists of the following for the years ended June 30:

	2023	2022
Interest and dividends	\$ 69,830	\$ 34,860
Realized (loss) gain	(68)	6,299
Unrealized gain (loss)	74,810	(148,509)
Less: in-kind investment management fees	<u>(29,084)</u>	<u>(23,281)</u>
Total investment return, net	<u>\$ 115,488</u>	<u>\$ (130,631)</u>

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

6. Property and Equipment

Property and equipment consists of the following at June 30:

	2023	2022
Website	\$ 32,500	\$ 32,500
Computer equipment	21,660	19,541
Furniture and fixtures	1,136	1,136
Vehicle	5,000	5,000
Total property and equipment	60,296	58,177
Less: accumulated depreciation and amortization	(24,707)	(21,610)
Property and equipment, net	<u>\$ 35,589</u>	<u>\$ 36,567</u>

7. Loan Payable – Paycheck Protection Program

The Foundation applied for two loans under the Paycheck Protection Program (PPP) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 coronavirus, for which the Foundation qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities).

As part of this program, the Foundation received two loans in fiscal years 2020 and 2021. The first loan in the amount of \$57,467 was forgiven on March 1, 2021 and recorded as other revenue in fiscal year 2021. The second loan in the amount of \$57,467 was forgiven on January 20, 2022, and is recorded in other revenue in the accompanying statement of activities for the year ended June 30, 2022.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions total \$0 and \$5,120 at June 30, 2023 and 2022 respectively, and are available for a research-related project.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

9. Board-Designated Quasi-Endowment Fund

The Foundation's Board-designated quasi-endowment fund ("the Fund") was established in 2012 through a capital campaign to help support program services. The principal of the Fund resulted from internal designation and is classified as net assets without donor restrictions. Accordingly, the Fund is not subject to the Virginia Uniform Prudent Management of Institutional Funds Act.

Return Objectives, Risk Parameters, and Strategies

The Foundation's investment policy provides for a strategy of long-term growth of the Fund. Under this policy, funds are invested with the goal of maximizing total returns, avoiding unnecessary risk, and generating income to support the spending policy. The Foundation employs a diversified asset allocation that currently places greater emphasis on fixed income investments. The Foundation uses professional fund managers for advice in managing the funds.

Composition of Funds

For the purposes of this disclosure, the Fund's net assets include those assets of unrestricted funds that were raised as a result of a capital campaign, but exclude any contributions receivable.

Changes in Board-Designated Quasi-Endowment Fund

Changes in the Fund were as follows for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Board-designated quasi-endowment fund, beginning balance	\$ 705,802	\$ 807,148
Interest and dividends	27,589	32,702
Unrealized gain (loss)	50,501	(134,048)
	<u>50,501</u>	<u>(134,048)</u>
Board-designated quasi-endowment fund, ending balance	<u>\$ 783,892</u>	<u>\$ 705,802</u>

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

10. In-Kind Contributions

During the years ended June 30, 2023 and 2022, the Foundation was the beneficiary of donated services and materials, which allowed the Foundation to provide greater resources toward various programs.

The following in-kind contributions have been included in the accompanying statements of activities for the years ended June 30:

	2023	2022
Facility use	\$ 183,800	\$ 87,375
Fitness centers access fees	-	5,112
Instructor fees	84,101	56,645
Symposium	113,545	150,511
Advertising	95,043	84,793
Parkinson Pointers in-kind	-	16,000
Office rent and parking	10,758	10,444
Professional services	31,709	23,281
Other	136	17
Total in-kind contributions	<u>\$ 519,092</u>	<u>\$ 434,178</u>

11. Commitments and Contingencies

License Agreements

In November 2020, the Foundation entered into a license agreement for use of an office space in Silver Spring, Maryland. This license agreement is on a month-to-month basis at no cost. For the years ended June 30, 2023 and 2022, the Foundation recorded in-kind contribution for donated rent and corresponding occupancy expenses of \$10,758 and \$10,444, respectively.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2023 and 2022

12. Retirement Plan

The Foundation participates in a standardized 401(k) profit sharing plan. All employees may participate after the completion of three consecutive months of eligible service beginning on the employee's date of hire. Employees may defer salary as a percentage of eligible compensation. The Foundation makes matching contributions in an amount equal to 100% of an employee's contributions, not to exceed 6% of the employee's annual salary. Pension expense was \$22,451 and \$18,860 for the years ended June 30, 2023 and 2022, respectively.

13. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Foundation allocates the majority of its expenses directly to specific functions. The expenses that are allocated indirectly include salaries, payroll taxes, and employee benefits, which are allocated on the basis of estimates of time and effort. Additionally, other natural expenses are allocated utilizing an overhead cost allocation methodology based on actual staff time and effort spent on the specific function for each category of expenses.

14. Income Taxes

The Foundation is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC), and is exempt from income taxes except for taxes on unrelated business activities. No tax expense is recorded in the accompanying financial statements as there was no unrelated business income. Contributions to the Foundation are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated the Foundation's tax positions and concluded that the Foundation's financial statements do not include any uncertain tax positions.